

**FORTIETH JUDICIAL DISTRICT COURT  
ST. JOHN THE BAPTIST PARISH  
EDGARD, LOUISIANA**

Annual Financial Statements

December 31, 2012

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## **Independent Auditor's Report**

To the Chief Judge and Judges  
of the Fortieth Judicial District Court  
St. John the Baptist Parish  
Edgard, Louisiana

### **Report on Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Fortieth Judicial District Court (the Court), as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Court's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**NEW ORLEANS   HOUSTON   BATON ROUGE   COVINGTON**

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## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Fortieth Judicial District Court as of December 31, 2012, and the respective changes in financial position for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis beginning on page 4 and the budgetary comparison information on page 27 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated July 8, 2013, on our consideration of the Fortieth Judicial District Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Court's internal control over financial reporting and compliance.



A Professional Accounting Corporation

Covington, LA  
July 8, 2013

**REQUIRED SUPPLEMENTARY INFORMATION (PART I)**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**For the Year Ended December 31, 2012**

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This discussion and analysis of the Fortieth Judicial District Court's (the Court) financial performance provides an overview of the financial activities as of and for the fiscal year ended December 31, 2012. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

### **Overview of the Financial Statements**

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (Government-Wide Financial Statements) provide information about the governmental activities as a whole and present a longer-term view of the finances. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (fund financial statements) tell how services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the operations in more detail than the government-wide statements by providing information about the most significant funds.

Our auditor has provided assurance in their independent auditor's report that the basic financial statements are fairly stated.

### **Government-Wide Financial Statements (GWFS)**

One of the most important questions asked about the Court's finances is, "Is the Court as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information as a whole and about activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the net position and changes in them. You can think of net position - the difference between assets and liabilities - as one way to measure the financial health, or financial position. Over time, increases or decreases in net position are one indicator of whether the Court's financial health is improving or deteriorating.

### **Fund Financial Statements (FFS)**

The fund financial statements provide detailed information about the most significant funds - not as a whole. Some funds are required to be established by State laws. The Fortieth Judicial District Court uses the governmental type of fund. Most of the basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the general government operations and the basic services it provides. Governmental fund information helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in a reconciliation at the bottom of the fund financial statements.



## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**For the Year Ended December 31, 2012**

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The Court also uses the fiduciary type fund to account for its administration of a Cy Pres account. The fiduciary activities are reported in the Statement of Fiduciary Net Position. These funds are not available to the Court to finance its operations, and therefore are not included in the government-wide financial statements. The Court is responsible for ensuring that the assets reported by this fund are distributed to charitable causes.

### **Financial Highlights**

The Court's financial statements provide these insights into the results of this year's operations:

- As a result of this year's operations, assets exceeded liabilities by \$591,528 (net position).
- Total net position is comprised of the following:
  - (1) Investment in capital assets of \$12,784, including the cost of office equipment and furniture, net of accumulated depreciation.
  - (2) Unrestricted net position of \$384,591, representing the portion available to maintain the continuing obligations to citizens and creditors.
  - (3) Restricted net position of \$194,153, representing the restricted resources for the Adult Drug Court, Families In Need of Services (FINS) and Juvenile Probation Funds (JPF).
- Total spending for all judicial activities was \$477,043 for the year, which was \$1,106 less than the program revenues of \$478,149 for these activities.
- The governmental funds reported total ending fund balance of \$578,744, of which \$194,153 was restricted, and of which \$384,591 was considered unassigned. This compares to the prior year ending fund balance of \$547,230, showing an increase of \$31,514 during the current year.

### **Financial Analysis as a Whole (GWFS)**

The Statement of Net Position and the Statement of Activities report on only one type of activity - governmental activities. Most of the basic instructional and support services are reported as this type. Operating grants and contributions and criminal and civil fees finance most of these activities.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended December 31, 2012

Our analysis below focuses on the net position of the governmental-type activities:

### Condensed Statements of Net Position

	2012	2011	Dollar Change	Total Percent Change
Current and Other Assets	\$ 608,489	\$ 561,647	\$ 46,842	8.34%
Capital Assets	12,784	14,872	(2,088)	-14.04%
<b>Total Assets</b>	<b>621,273</b>	<b>576,519</b>	<b>44,754</b>	<b>7.76%</b>
Current Liabilities	29,745	14,417	15,328	106.32%
<b>Total Liabilities</b>	<b>29,745</b>	<b>14,417</b>	<b>15,328</b>	<b>106.32%</b>
Net Investment in Capital Assets	12,784	14,872	(2,088)	-14.04%
Restricted	194,153	145,279	48,874	33.64%
Unrestricted	384,591	401,951	(17,360)	-4.32%
<b>Total Net Position</b>	<b>\$ 591,528</b>	<b>\$ 562,102</b>	<b>\$ 29,426</b>	<b>5.23%</b>

Net position increased by \$29,426 as a result of this year's operations, which indicates that the overall financial position improved during the year. The balance in net position represents the accumulated results of all past years' operations.

### Condensed Statements of Activities

	2012	2011	Dollar Change	Total Percent Change
<b>Program Revenues</b>				
Charges for Services - Court Revenues	\$ 358,899	\$ 173,625	\$ 185,274	106.71%
Operating Grants and Contributions	119,250	361,819	(242,569)	-67.04%
	<b>478,149</b>	<b>535,444</b>	<b>(57,295)</b>	<b>39.67%</b>
<b>Program Expenses</b>				
Current	470,674	435,510	35,164	8.07%
Depreciation - Unallocated	6,369	6,896	(527)	-7.64%
<b>Total Program Expenses</b>	<b>477,043</b>	<b>442,406</b>	<b>34,637</b>	<b>7.83%</b>
<b>Net Program Income</b>	<b>1,106</b>	<b>93,038</b>	<b>(91,932)</b>	<b>-98.81%</b>
General Revenues and Special Items	28,320	28,307	13	0.05%
<b>Change in Net Position</b>	<b>29,426</b>	<b>121,345</b>	<b>(91,919)</b>	<b>75.75%</b>
<b>Net Position</b>				
Beginning of the Year	562,102	440,757	121,345	27.53%
End of the Year	<b>\$ 591,528</b>	<b>\$ 562,102</b>	<b>\$ 29,426</b>	<b>5.23%</b>

Total revenues for the year in governmental activities were \$506,469 (\$478,149 in program revenues and \$28,320 in general revenues). The total cost of all judicial programs and services was \$477,043, with no new programs added this year.



## MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended December 31, 2012

### Judges

Division A	Honorable Madeline Jasmine
Division B	Honorable Mary Hotard Becnel
Division C	Honorable J. Sterling Snowdy

### Financial Analysis of Individual Funds (FFS)

The Fortieth Judicial District Court uses funds to help it control and manage money for particular purposes. Looking at individual funds helps one consider whether the Court is being accountable for the resources provided to it, but may also give you more insight into the overall financial health.

The governmental funds reported a combined fund balance of \$578,744. This reflects an increase of \$31,514. This increase is primarily the result of the events and programs described within the analysis of the governmental activities.

### Some of the Changes in Major Funds

Most of the General Fund's revenue (\$119,250 or 87%) was from fees generated from criminal and civil cases. Other significant revenue of \$16,931, or 12%, was from Supreme Court reimbursements. The major expenditures in the General Fund were for library expenses (\$53,355), office supplies (\$24,732), supplemental pay (\$17,800), and professional fees (\$22,300). The General Fund's fund balance of \$401,951, available at the beginning of the year, decreased by \$17,360, to end the year with an unassigned fund balance of \$384,591.

The other major fund is the Adult Drug Court Fund. Just about all of the revenue (\$311,607, or 98%) was in the form of grants from the State of Louisiana, St. John the Baptist Parish, and the Federal Government. The major expenditures in the Adult Drug Court Fund were for administrative services (\$176,682), building rent (\$18,624), payroll taxes (\$13,389), and drug testing and treatment services (\$15,318 and \$20,592, respectively). The beginning fund balance of \$133,493 increased by \$39,980 to end the year with a fund balance of \$173,473.

### Capital Assets

The net investment in capital assets for governmental activities as of December 31, 2012 and 2011, was \$12,784 and \$14,872, respectively, as shown on the following table:

	2012	2011
Division A	\$ 72,029	\$ 71,033
Division B	57,590	55,774
Division C	53,740	53,381
Adult Drug Court	25,223	24,113
Families in Need of Services	2,658	2,658
Juvenile Probation - Division B	4,363	4,363
<b>Total Cost</b>	<b>215,603</b>	<b>211,322</b>
Accumulated Depreciation	202,819	196,450
<b>Net Capital Assets</b>	<b>\$ 12,784</b>	<b>\$ 14,872</b>
<b>Depreciation Expense</b>	<b>\$ 6,369</b>	<b>\$ 6,896</b>

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**For the Year Ended December 31, 2012**

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This year there were \$4,281 of additions and depreciation of \$6,369, reflecting the net decrease in capital assets. More detailed information about the capital assets is presented in Note 5 to the financial statements.

### **Budgets**

The original budget for all funds was not amended during the year.

### **Economic Factors and Next Year's Budgets and Rates**

The management of the Fortieth Judicial District Court is in the process of approving the 2012 budget. There are no major changes expected to the budget compared to this year's budget. Expenditures are expected to remain around the same since there are no changes in staffing levels or major purchases anticipated.

### **Contacting Financial Management**

This financial report is designed to provide a general overview of the Fortieth Judicial District Court's finances and to show accountability for the money it received. If you have questions about this report or need additional financial information, contact:

Honorable Judge Sterling Snowdy  
P.O. Box 308  
Edgard, LA 70049  
Phone Number: 985-497-5580

**BASIC FINANCIAL STATEMENTS**  
**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**FORTIETH JUDICIAL DISTRICT COURT  
ST. JOHN THE BAPTIST PARISH  
Statement of Net Position  
December 31, 2012**

	<b>Governmental Activities</b>
<b>Assets</b>	
Cash and Cash Equivalents	\$ 579,327
Receivables	29,162
Capital Assets (Net of Accumulated Depreciation)	<u>12,784</u>
<b>Total Assets</b>	<u>621,273</u>
<b>Liabilities</b>	
Accounts Payable	24,366
Accrued Expenses	<u>5,379</u>
<b>Total Liabilities</b>	<u>29,745</u>
<b>Net Position</b>	
Net Investment in Capital Assets	12,784
Restricted	194,153
Unrestricted	<u>384,591</u>
<b>Total Net Position</b>	<u><u>\$ 591,528</u></u>

The accompanying notes are an integral part of these financial statements.

**FORTIETH JUDICIAL DISTRICT COURT  
ST. JOHN THE BAPTIST PARISH  
Statement of Activities  
For the Year Ended December 31, 2012**

	<b>Governmental Activities</b>
<b>Program Expenses</b>	
Public Safety - Court System	
Salaries and Related Benefits	\$ 245,511
Contractual Services	134,432
Materials and Supplies	68,282
Lodging and Registration Fees	20,819
Depreciation	6,369
Miscellaneous Expense	1,630
	<hr/>
<b>Total Program Expenses</b>	<b>477,043</b>
	<hr/>
<b>Program Revenues</b>	
Operating Grants and Contributions	358,899
Charges for Services - Court Revenues	119,250
	<hr/>
<b>Total Program Revenues</b>	<b>478,149</b>
	<hr/>
<b>Net Program Income</b>	<b>1,106</b>
	<hr/>
<b>General Revenues</b>	
Supreme Court Reimbursements	21,248
Judicial Probation Fees	6,545
Interest Income	527
	<hr/>
<b>Total General Revenues</b>	<b>28,320</b>
	<hr/>
<b>Increase in Net Position</b>	<b>29,426</b>
	<hr/>
<b>Net Position, Beginning of Year</b>	<b>562,102</b>
	<hr/>
<b>Net Position, End of Year</b>	<b>\$ 591,528</b>
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The accompanying notes are an integral part of these financial statements.

**BASIC FINANCIAL STATEMENTS  
FUND FINANCIAL STATEMENTS  
GOVERNMENTAL FUNDS**



**FORTIETH JUDICIAL DISTRICT COURT  
ST. JOHN THE BAPTIST PARISH  
Balance Sheet  
Governmental Funds  
December 31, 2012**

	<u>General Fund</u>		<u>Special Revenue Funds</u>		
	<b>Judicial Expense Fund</b>	<b>Adult Drug Court Program Fund</b>	<b>Non- Major Funds</b>		<b>Total Governmental Funds</b>
<b>Assets</b>					
Cash and Cash Equivalents	\$ 396,632	\$ 159,815	\$ 22,880	\$	579,327
Receivables	8,056	21,106	-		29,162
Due from Other Funds	1,630	-	-		1,630
<b>Total Assets</b>	<b>\$ 406,318</b>	<b>\$ 180,921</b>	<b>\$ 22,880</b>	<b>\$</b>	<b>610,119</b>
<b>Liabilities</b>					
Accounts Payable	\$ 21,727	\$ 2,069	\$ 570	\$	24,366
Accrued Expenses	-	5,379	-		5,379
Due to Other Funds	-	-	1,630		1,630
<b>Total Liabilities</b>	<b>21,727</b>	<b>7,448</b>	<b>2,200</b>		<b>31,375</b>
<b>Fund Balances</b>					
Unassigned	384,591	-	-		384,591
Restricted	-	173,473	20,680		194,153
<b>Total Fund Balances</b>	<b>384,591</b>	<b>173,473</b>	<b>20,680</b>		<b>578,744</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 406,318</b>	<b>\$ 180,921</b>	<b>\$ 22,880</b>		

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

12,784

**Net Position of Governmental Activities**

**\$ 591,528**

The accompanying notes are an integral part of these financial statements.

**FORTIETH JUDICIAL DISTRICT COURT  
ST. JOHN THE BAPTIST PARISH  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2012**

	<u>General Fund</u>	<u>Special Revenue Funds</u>		
	<u>Judicial Expense Fund</u>	<u>Adult Drug Court Program Fund</u>	<u>Non- Major Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>				
Grants	\$ -	\$ 311,607	\$ 47,292	\$ 358,899
Criminal Fees	95,559	-	-	95,559
Civil Fees	23,691	-	-	23,691
Supreme Court Reimbursements	16,931	4,367	(50)	21,248
Judicial Probation Fees	-	3,575	2,970	6,545
Interest and Miscellaneous	489	-	38	527
<b>Total Revenues</b>	<u>136,670</u>	<u>319,549</u>	<u>50,250</u>	<u>506,469</u>
<b>Expenditures</b>				
Current				
Administrative Service	-	176,682	-	176,682
Library	53,355	-	-	53,355
Salary Reimbursement	-	-	34,289	34,289
Office Supplies	24,732	6,105	708	31,545
Professional Fees	22,300	3,055	1,110	26,465
Supplemental Pay	17,800	3,351	-	21,151
Treatment Services	-	20,592	-	20,592
Office Rent/Lease	-	18,624	-	18,624
Utilities	7,492	7,592	3,464	18,548
Testing and Laboratory	-	15,318	-	15,318
Payroll Taxes	-	13,389	-	13,389
Travel Expenses	11,661	608	434	12,703
Conferences and Dues	4,965	2,825	326	8,116
Repairs and Maintenance	2,210	4,635	-	6,845
General Insurance	-	4,950	-	4,950
Other Rent/Lease	4,785	-	-	4,785
Other Operating Expenses	1,535	-	95	1,630
Jury and Court Lunches	827	-	-	827
Taxes and Licenses	-	600	-	600
Advertising and Public Relations	260	-	-	260
Capital Outlay	3,171	1,110	-	4,281
<b>Total Expenditures</b>	<u>155,093</u>	<u>279,436</u>	<u>40,426</u>	<u>474,955</u>
<b>Changes in Fund Balances before Other Financing Sources (Uses)</b>	<u>(18,423)</u>	<u>40,113</u>	<u>9,824</u>	<u>31,514</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	4,492	-	3,429	7,921
Transfers Out	(3,429)	(133)	(4,359)	(7,921)
<b>Total Other Financing Sources (Uses)</b>	<u>1,063</u>	<u>(133)</u>	<u>(930)</u>	<u>-</u>
<b>Net Changes in Fund Balances</b>	<u>(17,360)</u>	<u>39,980</u>	<u>8,894</u>	<u>31,514</u>
<b>Fund Balances</b>				
Beginning of Year	401,951	133,493	11,786	547,230
End of Year	<u>\$ 384,591</u>	<u>\$ 173,473</u>	<u>\$ 20,680</u>	<u>\$ 578,744</u>

The accompanying notes are an integral part of these financial statements.

**FORTIETH JUDICIAL DISTRICT COURT  
ST. JOHN THE BAPTIST PARISH  
Reconciliation of the Statement of Revenues, Expenditures,  
and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
For the Year Ended December 31, 2012**

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Amounts reported for governmental activities in the Statement of Activities are different because:

Net Change in Fund Balances - Total Governmental Funds	\$ 31,514
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	<u>(2,088)</u>
<b>Change in Net Position of Governmental Activities</b>	<u><u>\$ 29,426</u></u>

The accompanying notes are an integral part of these financial statements.

**FORTIETH JUDICIAL DISTRICT COURT  
ST. JOHN THE BAPTIST PARISH  
Statement of Fiduciary Net Position  
Fiduciary Fund  
December 31, 2012**

	<b>Agency Funds</b>
<hr/>	
<b>Assets</b>	
Cash and Cash Equivalents	\$ 17,332
	<hr/>
<b>Total Assets</b>	<b>\$ 17,332</b>
	<hr/>
<b>Liabilities</b>	
Due to Others	\$ 17,332
	<hr/>
<b>Total Liabilities</b>	<b>\$ 17,332</b>
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The accompanying notes are an integral part of these financial statements.

**FORTIETH JUDICIAL DISTRICT COURT  
ST. JOHN THE BAPTIST PARISH**

**Notes to Financial Statements**

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**Note 1. Description**

The Fortieth Judicial District Court (the Court) was created by Act No. 52 of the 1984 regular Louisiana Legislative Session as a level of the judicial branch of government and is charged with trying all cases that involve the government and with the administration of justice within its jurisdiction, which encompasses all of St. John the Baptist Parish. The Fortieth Judicial District is comprised of three (3) independently elected judges with 6-year terms.

**Note 2. Summary of Significant Accounting Policies**

**Basis of Presentation**

The accompanying basic financial statements of the Court have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial principles.

**Reporting Entity**

Fortieth Judicial District Court judges are independently elected officials. However, the Fortieth Judicial District Court is fiscally dependent on the St. John the Baptist Parish Government for office space, courtrooms, and related utility costs, as well as partial funding of salaries.

The accompanying financial statements present information only on the funds maintained by the Fortieth Judicial District Court and do not present information on the St. John the Baptist Parish Government, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

**Government-Wide Financial Statements**

The government-wide financial statements are reported using the "economic resources" measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as soon as all eligibility requirements imposed by the provider have been met.

Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*.

**Program Revenues** - Program revenues included in the column labeled Statement of Activities are derived directly from users as a fee for services; program revenues reduce the cost of the function to be financed from the general revenues.

**FORTIETH JUDICIAL DISTRICT COURT  
ST. JOHN THE BAPTIST PARISH**

**Notes to Financial Statements**

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**Note 2. Summary of Significant Accounting Policies (Continued)**

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by the program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not included among program revenues are reported instead as general revenues.

**Fund Accounting**

The accounting system is organized and operated on a fund basis whereby a separate self-balancing set of accounts is maintained for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. Separate financial statements are provided for the major governmental funds.

***The General Fund***

The General Fund - The Judicial Expense Fund was created by the State of Louisiana Act No. 52, House Bill No. 39 of the 1984 Regular Legislative Session. It authorized collection from every person filing any type of civil suit or proceeding and who is not otherwise exempted by law from the payment of court costs, a sum not to exceed fifteen dollars. In all criminal cases, there shall be collected an amount not to exceed seven dollars and fifty cents from every defendant who is convicted after a trial or other plea of guilty or who forfeits his bond. These costs are to be in addition to all other fines, costs or forfeitures imposed by law. Act 834, Section 571.11 of the 1993 Regular Legislative Session, authorizes all judgments of bond forfeitures resulting from the posting of surety bond in criminal proceeding in the State of Louisiana shall be collected by the district attorney. The district attorney shall distribute ten percent of all funds collected to the court fund of the parish where the bond was posted. In general, the funds may be used for any purpose or purposes connected with the incidental services or related to proper administration or function of the offices of the individual judges.

***Adult Drug Court Special Revenue Fund***

This fund receives revenue in the form of grants from the State of Louisiana, St. John the Baptist Parish, and the Federal Government through the Temporary Assistance for Needy Families (TANF) program.

***Fiduciary Funds***

Fiduciary Funds are used to account for assets held by the Court in a trustee capacity. The Court maintains an agency fund. The agency fund is a Cy Pres account. The Cy Pres fund accounts for assets held by the Court for distribution to charitable causes.



**FORTIETH JUDICIAL DISTRICT COURT  
ST. JOHN THE BAPTIST PARISH**

**Notes to Financial Statements**

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**Note 2. Summary of Significant Accounting Policies (Continued)**

**Fund Accounting (Continued)**

***Fund Financial Statements***

The Court uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Court functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The various funds of the Court are classified as governmental. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Court or the total assets, liabilities, revenues, or expenditures of the individual governmental fund is at least 10 percent of the corresponding total for all governmental funds.

The amounts reflected in the fund financial statements are based on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (when they become both measurable and available).

Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Court considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

The governmental funds use the following practices in recording revenues and expenditures:

**Revenues** - Court fines and fees, and interest are recorded when earned and measurable.

**Expenditures** - The major expenditures are recorded when earned and payable, or when incurred.

**Cash and Cash Equivalents**

Cash includes all amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under State law, the Court may deposit funds in demand deposits, interest-bearing deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

**FORTIETH JUDICIAL DISTRICT COURT  
ST. JOHN THE BAPTIST PARISH**

**Notes to Financial Statements**

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**Note 2. Summary of Significant Accounting Policies (Continued)**

**Cash and Cash Equivalents (Continued)**

Under State law, the Court may deposit funds with a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The Court may invest in United States bonds, treasury notes, repurchase agreements, or certificates and time deposits of state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

**Receivables**

Receivables are recorded for reimbursement of expenditures under various State and Federal programs and grants. All amounts are expected to be collected within the next twelve months. No allowance for uncollectible accounts has been established as all receivables are considered collectible.

**Capital Assets**

All capital assets of the Court are recorded at historical cost and are reported on the government-wide financial statements. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. Capital assets are recorded in the government-wide financial statements. All capital assets, other than land, are depreciated using the straight-line method over five to seven years.

**Restricted Net Position**

For the government-wide statement of net position, net position is reported as restricted when constraints placed on net position use are either:

1. Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments;
2. Imposed by law through constitutional provisions or enabling legislation.

**Equity Classifications**

During fiscal year ended December 31, 2012, the Court adopted GASB 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. As the Court does not report any deferred inflows or outflows, the effect of the implementation was to replace the term net assets with net position.

Government-wide net position is divided into three components:

1. *Net Investment in Capital Assets* - consists of the historical cost of capital assets, including any restricted capital assets, net of accumulated depreciation.
2. *Restricted* - this component of net position consists of assets that have constraints that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation.
3. *Unrestricted* - all other net position is reported in this category.

**FORTIETH JUDICIAL DISTRICT COURT  
ST. JOHN THE BAPTIST PARISH**

**Notes to Financial Statements**

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**Note 2. Summary of Significant Accounting Policies (Continued)**

**Equity Classifications (Continued)**

In the governmental fund financial statements, fund balances are classified as follows:

1. *Restricted Fund Balance* - consists of amounts that can be spent only for specific purposes because of State or Federal laws or externally imposed conditions by grantors, creditors, or citizens.
2. *Unassigned Fund Balance* - consists of all other amounts not included in spendable classifications.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the Court's policy is to apply restricted net position first.

The Court considers restricted fund balances to be spent for governmental expenditures first when both restricted and unrestricted resources are available.

**Interfund Transactions**

Permanent re-allocation of resources between funds of the reporting entity is classified as interfund transfers. For the purposes of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

**Budget Policies**

The Court has adopted annual budgets for its Judicial Expense Fund and Adult Drug Court Fund on a basis consistent with generally accepted accounting principles for all governmental funds. The budgetary practices include notice of the proposed budget, public inspection of the proposed budget and public hearings on the budget prior to adoption. Any amendment involving increases in expenditures must be approved by the Court. Budgeted amounts in the accompanying financial statements include all amendments. The Court does not use encumbrance accounting. At the end of the fiscal year, unexpended appropriations of these funds automatically lapse.

**FORTIETH JUDICIAL DISTRICT COURT  
ST. JOHN THE BAPTIST PARISH**

**Notes to Financial Statements**

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**Note 3. Cash and Cash Equivalents**

**Custodial Credit Risk**

Custodial credit risk is the risk that in the event of a bank failure, the Court's deposits may not be returned. The Court does not have a deposit policy for custodial credit risk. As of December 31, 2012, no funds of the Court were exposed to custodial credit risk.

Under State law, deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. The custodial bank must advertise and sell the pledged securities within 10 days of being notified that the fiscal agent bank has failed to pay deposited funds upon demand.

**Note 4. Receivables**

The receivables at December 31, 2012, are summarized below:

<b>Class of Receivable</b>	<b>Judicial Expense Fund</b>	<b>Adult Drug Court Program Fund</b>	<b>Non-Major Funds</b>	<b>Total</b>
Accounts Receivable	\$ -	\$ -	\$ -	\$ -
Intergovernmental				
Grants	-	21,106	-	21,106
Court Costs and Fees	8,056	-	-	8,056
<b>Total</b>	<b>\$ 8,056</b>	<b>\$ 21,106</b>	<b>\$ -</b>	<b>\$ 29,162</b>

Management considers all of the receivables outstanding at December 31, 2012 to be fully collectible. Accordingly, no provision for uncollectible accounts has been recorded.

**FORTIETH JUDICIAL DISTRICT COURT  
ST. JOHN THE BAPTIST PARISH**

**Notes to Financial Statements**

**Note 5. Capital Assets**

Capital asset activity for the year ended December 31, 2012, was as follows:

<b>Furniture and Equipment</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>
Division A	\$ 71,033	\$ 996	\$ -	\$ 72,029
Division B	55,774	1,816	-	57,590
Division C	53,381	359	-	53,740
Adult Drug Court	24,112	1,110	-	25,222
FINS	2,659	-	-	2,659
Juvenile Probation - Division B	4,363	-	-	4,363
<b>Total Cost</b>	<b>211,322</b>	<b>4,281</b>	<b>-</b>	<b>215,603</b>
Less: Accumulated Depreciation	196,450	6,369	-	202,819
<b>Capital Assets, Net</b>	<b>\$ 14,872</b>	<b>\$ (2,088)</b>	<b>\$ -</b>	<b>\$ 12,784</b>

**Note 6. Compensated Absences**

**Vacation Leave**

The Judges of the Court establish vacation policies for their respective employees. All other employees generally earn vacation according to the following length of employment:

One Year of Employment	-	One Week Vacation
Two Years of Employment	-	Two Weeks Vacation
Five Years of Employment	-	Three Weeks Vacation
Fifteen Years of Employment	-	Four Weeks Vacation

In general, unused vacation time cannot be carried over from one calendar year to the next, and employees are required to use vacation time in the year earned. Upon termination, unused vacation time is paid to all employees in good standing with the Court.

**Sick Leave**

Employees are allocated up to eighteen days of sick leave each year based on length of employment and are allowed to carry-forward unused sick leave days for a period of up to 90 days; however, accumulated sick time is not paid upon termination.

At December 31, 2012, no liability has been recorded for compensated absences since any balance is immaterial.

**FORTIETH JUDICIAL DISTRICT COURT  
ST. JOHN THE BAPTIST PARISH**

**Notes to Financial Statements**

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**Note 7. Operating Transfers**

The Court transfers funds between funds as part of the normal operating of fund activity throughout the year to account for payment of expenditures and receipt of revenues. For the year ended December 31, 2012, individual transfers were as follows:

<b>Transfers by Fund</b>	<b>General</b>	<b>ADC</b>	<b>FINS</b>	<b>JPF</b>	<b>Total</b>
General Fund	\$ (3,429)	\$ -	\$ 3,429	\$ -	\$ -
Families In Need of Services Fund	3,378	-	(3,378)	-	-
Adult Drug Court Fund	133	(133)	-	-	-
Juvenile Probation Fund	981	-	(981)	-	-
<b>Total</b>	<b>\$ 1,063</b>	<b>\$ (133)</b>	<b>\$ (930)</b>	<b>\$ -</b>	<b>\$ -</b>

**Note 8. Risk Management**

The Court is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; and injuries to the public; and natural disasters. To protect against these risks, the Court has purchased commercial or other insurance for the losses to which it is exposed.

**Note 9. Pension Plans**

The employees of the Court belong to the Parochial Employees' Retirement System of Louisiana (the Plan). The Plan is a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. Contributions to the Plan are made by St. John the Baptist Parish Government. The Court reimburses the Parish for amounts in excess of what they are required to pay.

**Note 10. Operating Lease**

The Court leases copier equipment for each division. These leases have been classified as operating leases and, as such, rental payments have been recorded as operating expenditures. The Division C copier and the office space for the Adult Drug Court in LaPlace, Louisiana are rented on a monthly basis without definitive lease terms; therefore, they are not included in the long-term lease schedule below.



**FORTIETH JUDICIAL DISTRICT COURT  
ST. JOHN THE BAPTIST PARISH**

**Notes to Financial Statements**

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**Note 10. Operating Lease (Continued)**

Total rent expense for the year ended December 31, 2012, was \$18,624. Future minimum lease payments are as follows:

2013	\$ 2,867
2014	2,867
2015	2,663
2016	<u>1,639</u>
<b>Total</b>	<b><u>\$ 10,036</u></b>

**REQUIRED SUPPLEMENTARY INFORMATION (PART II)**

**FORTIETH JUDICIAL DISTRICT COURT****ST. JOHN THE BAPTIST PARISH****Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual  
Governmental Funds****For the Year Ended December 31, 2012**

	<b>Budgetary Amounts</b>		<b>Actual - Budgetary Basis</b>	<b>Variance with Final Budget Favorable (Unfavorable)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Grants	\$ 272,000	\$ 272,000	\$ 358,899	\$ 86,899
Criminal Fees	144,000	144,000	95,559	(48,441)
Civil Fees	43,000	43,000	23,691	(19,309)
Supreme Court Reimbursements	17,250	17,250	21,248	3,998
Judicial Probation Fees	5,700	5,700	6,545	845
Interest and Miscellaneous	300	300	527	227
<b>Total Revenues</b>	<b>482,250</b>	<b>482,250</b>	<b>506,469</b>	<b>24,219</b>
<b>Expenditures</b>				
Current				
Administrative Service	160,000	160,000	176,682	(16,682)
Library	28,300	28,300	53,355	(25,055)
Salary Reimbursement	65,600	65,600	34,289	31,311
Office Supplies	30,000	30,000	31,545	(1,545)
Professional Fees	22,000	22,000	26,465	(4,465)
Supplemental Pay	9,300	9,300	21,151	(11,851)
Treatment Services	12,000	12,000	20,592	(8,592)
Office Rent/Lease	17,100	17,100	18,624	(1,524)
Utilities	14,000	14,000	18,548	(4,548)
Testing and Laboratory	17,000	17,000	15,318	1,682
Payroll Taxes	13,000	13,000	13,389	(389)
Travel Expenses	13,000	13,000	12,703	297
Conferences and Dues	8,000	8,000	8,116	(116)
Repairs and Maintenance	7,500	7,500	6,845	655
General Insurance	7,000	7,000	4,950	2,050
Other Rent/Lease	4,300	4,300	4,785	(485)
Other Operating Expenses	2,200	2,200	1,630	570
Jury and Court Lunches	500	500	827	(327)
Taxes and Licenses	700	700	600	100
Advertising and Public Relations	5,500	5,500	260	5,240
Capital Outlay	5,000	5,000	4,281	719
<b>Total Expenditures</b>	<b>442,000</b>	<b>442,000</b>	<b>474,955</b>	<b>(32,955)</b>
<b>Net Changes in Fund Balance</b>	<b>\$ 40,250</b>	<b>\$ 40,250</b>	<b>31,514</b>	<b>\$ (8,736)</b>
<b>Fund Balance</b>				
Beginning of Year			547,230	
End of Year			<u>\$ 578,744</u>	

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS**

To the Chief Judge and Judges  
of the Fortieth Judicial District Court  
St. John the Baptist Parish

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Fortieth Judicial District Court (the Court), as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Fortieth Judicial District Court's basic financial statements and have issued our report thereon dated July 8, 2013.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Fortieth Judicial District Court's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Fortieth Judicial District Court's internal control. Accordingly, we do not express an opinion on the effectiveness of the Fortieth Judicial District Court's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying schedule of findings and responses as item 2012 - 1 to be a material weakness.

*A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Fortieth Judicial District Court's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 2012 - 2 and 2012 - 3.

**Fortieth Judicial District Court's Response to Findings**

The Fortieth Judicial District Court's responses to findings identified in our audit are described in the accompanying schedule of findings and responses. The Court's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Court's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Court's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

A handwritten signature in cursive script, appearing to read "LaForte".

A Professional Accounting Corporation

July 8, 2012

**FORTIETH JUDICIAL DISTRICT COURT  
ST. JOHN THE BAPTIST PARISH  
Schedule of Findings and Responses  
For the Year Ended December 31, 2012**

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**2012 - 1    Controls Over Disbursements**

Criteria:	Proper controls over disbursements include maintaining supporting documentation in accordance with the Louisiana Legislative Auditor's Checklist of Best Practices in Government.
Condition:	During our test of 30 sampled disbursements, we noted 6 exceptions. The exceptions included 4 checks which lacked invoices or other support and 2 disbursements which were miscoded.
Cause:	Inadequate controls over disbursements for public funds.
Effect:	Disbursements lacked proper support.
Recommendation:	We recommend that supporting documentation for and controls over disbursements follow the Louisiana Legislative Auditor's Checklist of Best Practices in Government. We recommend that the supporting documentation for disbursements include evidence that supports the purpose of the purchase, that the purchase was intended for the use of the Court, the itemized listing of items or meals purchased, and the listing of any attendees involved in a purchase made by the Court.
Management's Response:	The court will continue to improve in closely monitoring disbursements. Each judge will diligently enforce the policies newly implemented during 2012.



**FORTIETH JUDICIAL DISTRICT COURT  
ST. JOHN THE BAPTIST PARISH  
Schedule of Findings and Responses (Continued)  
For the Year Ended December 31, 2012**

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**2012 - 2    Budget Compliance**

Criteria:                    Louisiana Revised Statute (LRS) 39:1305, 39:1309, and 39:1311.

Condition:                During our audit procedures, we noted that the budget for the year ended December 31, 2012 was not approved in an open meeting nor officially adopted before the beginning of the fiscal year. The budget was officially adopted by management on September 27, 2012, as both an original and final budget.

We also noted that the content of the approved budget did not contain a separate budget for the General Fund and each special revenue fund. Also, the budget did not contain all items outlined by State law.

Additionally, for the year ended December 31, 2012, governmental funds total expenditures of \$474,955 exceeded budgeted expenditures of \$442,000, resulting in an unfavorable variance of \$32,955.

Cause:                    Management was not aware of the requirements of LRS 39:1305 and 39:1309.

Effect:                    Noncompliance with LRS 39:1305, 39:1309, and 39:1311.

Recommendation: We recommend that the adoption of the official budget for the Court follow the Louisiana Legislative Auditor's Checklist of Best Practices in Government, LRS 39:1305, and LRS 39:1309.

Management's  
Response:                The Court will implement a policy that will ensure timely preparation and approval of the Court's budget. Additionally, the Court will implement a process to propose revisions to the budget when actual expenditures exceed budgeted amounts by more than 5%.

**FORTIETH JUDICIAL DISTRICT COURT  
ST. JOHN THE BAPTIST PARISH  
Schedule of Findings and Responses (Continued)  
For the Year Ended December 31, 2012**

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**2012 - 3    Questioned Costs and Supreme Court of Louisiana Findings**

Criteria:	Supreme Court regulations regarding Adult Drug Court grant.
Condition:	During our audit procedures, we were made aware of a site-monitoring visit conducted by the Supreme Court of Louisiana during the year ended December 31, 2012. This site-monitoring visit was for the purpose of analyzing expenses reimbursed to the Adult Drug Court Fund under grants administered by the Supreme Court of Louisiana. The site-monitoring visit covered expenditures made during the period November, 2011 to August, 2012, and reported \$1,395 of questioned costs. The report suggested that the Adult Drug Court establish a procedure to ensure that expenses are billed in the correct fiscal year.
Cause:	Not known.
Effect:	Noncompliance with grant requirements of the Adult Drug Court grant.
Recommendation:	We recommend that the Court institute procedures as recommended by the Supreme Court in the site-monitoring visit report.
Management's Response:	In regards to billing expenditures to the grant, management will incorporate a review of reimbursement requests noting the dates of the related expenditures.

**FORTIETH JUDICIAL DISTRICT COURT  
ST. JOHN THE BAPTIST PARISH  
Summary Schedule of Prior Year Findings  
For the Year Ended December 31, 2012**

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**2011 - 1 Misappropriation of Assets**

Condition: During our audit procedures, we were made aware that management identified an estimated \$5,500 in Division A disbursements that were allegedly misappropriated by a former employee of Division A over a period of three years spanning from 2009 through 2011. Of this amount, an estimated \$1,790 is related to the year ended December 31, 2011, and is included in Other Operating Expenses.

Current Status: Resolved.

**2011 - 2 Controls Over Disbursements**

Condition: During our test of 28 sampled disbursements, we noted 12 exceptions. The exceptions included 4 checks which lacked invoices or other support; 3 disbursements which did not include a complete itemization or purpose of expenditure; 3 disbursements which appeared to be violations of Article 7, Section 14, of the Louisiana Constitution as they were for office parties; and 2 disbursements which were miscoded.

Current Status: This finding has not been resolved. See current year finding 2012 - 1.

**2011 - 3 Controls Over Receipts for Probation Fees and Drug Court Fees**

Condition: During our audit procedures, we were made aware of a lack of segregation of duties over cash receipts related to probation fees and drug court fees. Regarding drug court fees, the judicial assistant for Division A would collect fees, issue receipts, prepare deposit slips, and make deposits at the bank. Regarding probation fees, all divisions have a probation officer that collects fees, issues receipts, prepares deposit slips, and makes deposits at the bank.

Current Status: Resolved.

**FORTIETH JUDICIAL DISTRICT COURT  
ST. JOHN THE BAPTIST PARISH  
Summary Schedule of Prior Year Findings (Continued)  
For the Year Ended December 31, 2012**

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**2011 - 4 Approval and Content of Budget**

Condition: During our audit procedures, we noted that the budget for the year ended December 31, 2011, was not approved in an open meeting nor officially adopted before the beginning of the fiscal year. The budget was officially adopted by management on December 28, 2011, as both an original and final budget. We also noted that the content of the approved budget did not contain a separate budget for the General Fund and each special revenue fund. Also, the budget did not contain all items outlined by State law.

Current Status: The finding has not been resolved. See current year finding 2012 - 2.

**2011 - 5 Late Filing of Audit Report**

Condition: For the year ended December 31, 2011, the audited financial statements were not submitted to the Louisiana Legislative Auditor until November 12, 2012.

Current Status: Resolved.

**2011 - 6 Questioned Costs and Supreme Court of Louisiana Findings**

Condition: During our audit procedures, we were made aware of two site-monitoring visits conducted by the Supreme Court of Louisiana during the year ended December 31, 2011. These site-monitoring visits were for the purpose of analyzing expenses reimbursed to the Adult Drug Court Fund under grants administered by the Supreme Court of Louisiana. The first site-monitoring visit covered expenditures made during the fiscal year ended December 31, 2010, and reported \$3,025 of questioned costs. The second site-monitoring visit covered expenditures made during the fiscal year ended December 31, 2011, and reported \$3,572 of questioned costs. Reimbursements of questioned costs totaling \$6,597 were accrued at December 31, 2011. Both site-monitoring visit reports suggested that the Adult Drug Court establish a procedure to maintain separate accounting for the receipt and disbursement of Federal TANF funds through separate coding.

Current Status: Partially resolved. The Court reimbursed the Supreme Court the amount of the questioned costs. See finding 2012 - 3 for 2012 Supreme Court monitoring visit.